

REFERENCE TITLE: charter schools; leased property

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
First Regular Session  
2009

## **HB 2346**

Introduced by  
Representative Mason

AN ACT

AMENDING SECTIONS 42-11104 AND 42-11132, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 42-11104, Arizona Revised Statutes, is amended to  
3 read:

4 **42-11104. Exemption for education and library property**

5 A. Libraries, colleges, school buildings and other buildings that are  
6 used for education, with their furniture, libraries and equipment and the  
7 land that is appurtenant to and used with them, are exempt from taxation if  
8 they are used for education and not used or held for profit.

9 B. Property and buildings are exempt from taxation if leased from:

10 1. A school district pursuant to a lease or lease-purchase agreement  
11 under section 15-342, paragraph 9 or 10.

12 2. A community college district pursuant to a lease or lease-purchase  
13 agreement under section 15-1444.

14 C. Property and buildings, including land, improvements, furniture and  
15 equipment, that are owned by **OR LEASED TO** a nonprofit organization that is  
16 recognized under section 501(c)(3) of the internal revenue code and that  
17 operates as a charter school pursuant to section 15-183 are exempt from  
18 taxation beginning on the date the nonprofit organization acquires ownership  
19 of **OR OCCUPIES** the property and buildings if the property and buildings are  
20 used for education **and are not used or held for profit.**

21 D. Within ten days after receiving an initial affidavit of eligibility  
22 submitted under section 42-11152 by **a nonprofit organization THE OWNER OF**  
23 **PROPERTY** described under subsection C of this section, the county assessor,  
24 on request, shall issue a receipt for the affidavit.

25 E. **If the nonprofit organization described under subsection C of this**  
**section files with the assessor evidence of the organization's tax exempt**  
**status under section 501(c)(3) of the internal revenue code, the organization**  
**THE OWNER OF PROPERTY DESCRIBED UNDER SUBSECTION C OF THIS SECTION** is exempt  
26 from the requirement of filing subsequent affidavits under section 42-11152  
27 until all or part of the property is conveyed to a new owner or is no longer  
28 used for education. At that time the **organization OWNER** shall notify the  
29 assessor of the change in writing.

30 F. **A nonprofit organization described under subsection C of this**  
**section that acquires ownership of property that was previously owned by**  
**another nonprofit organization and used primarily for education shall A NEW**  
**OWNER MUST** comply with the requirements of section 42-11152 to qualify and  
31 establish eligibility for exemption.

32 G. F. If **a nonprofit organization AN OWNER OF PROPERTY** described  
33 under subsection C of this section **that holds title to property used**  
**primarily for education** fails to file the affidavit required by section  
34 42-11152 in a timely manner, but otherwise qualifies for exemption, the  
35 county board of supervisors, on petition by the organization, shall direct  
36 the county treasurer to:

1       1. Refund any property taxes paid by the ~~organization~~ OWNER for a tax  
2 year if the ~~organization~~ OWNER submits a claim for the refund to the county  
3 treasurer within one year after the date the taxes were paid. The county  
4 treasurer shall pay the claim within thirty days after it is submitted to the  
5 treasurer. The county treasurer is entitled to a credit for the refund in  
6 the next accounting period with each taxing jurisdiction to which the tax  
7 monies may have been transmitted.

8       2. Forgive and strike off from the tax roll any property taxes and  
9 accrued interest and penalties that are due but not paid.

10      Sec. 2. Section 42-11132, Arizona Revised Statutes, is amended to  
11 read:

12      42-11132. Property leased to an educational institution

13      A. Property, buildings and fixtures that are ~~owned by an educational,~~  
14 ~~a religious or a charitable organization, institution or association and~~  
15 leased to a not for profit educational organization, institution or  
16 association are exempt from taxation if the property is used for educational  
17 instruction in any grade or program through grade twelve.

18      B. If the ~~educational, religious or charitable organization,~~  
19 ~~institution or association that owns~~ OWNER OF the property files with the  
20 assessor ~~evidence of the organization's tax exempt status under section~~  
21 ~~501(c)(3) of the internal revenue code and~~ an affidavit by the educational  
22 organization, institution or association that it uses the property for  
23 educational instruction as described in subsection A of this section, the  
24 property qualifies for the tax exemption under this section and is exempt  
25 from the requirement of filing subsequent affidavits under section 42-11152  
26 until all or part of the property is conveyed to a new owner or is no longer  
27 used for educational purposes. At that time the ~~religious or charitable~~  
28 ~~organization, institution or association~~ OWNER must notify the assessor of  
29 the change in writing.